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To: Water Utilities & Districts
From: Derek D. Davidson, Director, Consumer Assistance Division
Subject: Application of Partial Payments
Date: January 17, 2006

If a utility combines a customer's water and sewer charges on the same bill, the utility must apply a payment that is insufficient to pay the entire bill first to the outstanding water charges (considered "basic service") and then apply any remainder to the sewer charges (considered "non-basic service"). Chapter 81, Section 3(K) of the Commission's rules requires a utility to either issue a separate bill for non-basic utility service or allocate partial payments first to basic service and then to non-basic utility services.

Chapter 81, defines "non-basic utility" service as:

1. The Commission does not regulate the rate or charge for the service;
2. The rate or charge for the service is not contained in the utility's tariffs; or
3. The service is for merchandise or equipment that is not required as a condition of receiving utility service.

Pursuant to this definition, sewer charges are considered "non-basic" service charges and as such, should either be billed separately from basic service charges or, if included with basic service charges, receive payment only after basic service charges are paid. This rule requirement supersedes any utility term and condition on file with the Commission.

If you have any questions about this bulletin you may contact me at (207) 287-1596 or by e-mail at derek.d.davidson@maine.gov.



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